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ABSTRACT

A unit in business French in which students create a fictional company is outlined and discussed. In the five- or six-session unit, students follow a series of steps in establishing an enterprise, discuss various aspects of their emerging company, make legal and practical decisions, and reflect on the company's economic environment and long-term strategy. The unit creates intense and enthusiastic role-playing, uses special terminology, and addresses key concepts of French business. Students put aspects of commercial into practice, think of business in a more comprehensive sense, and consider several sides of a business operation, including capital investment, commercial strategy, company organization, and management of human resources. The approach is illustrated with a sample case in which a young American starts a sports clothing and equipment venture in France. (MSE)

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CAPITALIZING ON THE ENTREPRENEURIAL DREAM IN BUSINESS FRENCH

by

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CAPITALIZING ON THE ENTREPRENEURIAL DREAM IN BUSINESS FRENCH

The average business French course devotes one or more sessions to the forms of business organization in France. However fascinating the various statutes of partnerships and companies may be, an introductory lecture can become too technical and abstract to an audience of undergraduates, most of whom are French majors with little business background and even less work experience. Fortunately, these days young people have a genuine interest in business enterprises, and somewhat of an entrepreneurial spirit.

This paper is an attempt to design a unit that could take advantage of the new enthusiasm for business ventures as well as provide some insight into practical aspects of starting and operating a small enterprise.

In the course of that unit, students are invited to put elements of commercial law into practice, to think of business in a more comprehensive and practical sense,to take into consideration several sides of business operations, from capital

investment to commercial strategy through company organization and the management of human resources.

These goals are to be achieved through the creation of a fictional company. Each step in the establishment process will require the students to discuss various aspects of their emerging company, to come to a decision and make the necessary move, legal and otherwise, as well as reflect upon the company's economic environment and long term strategy.

Another key objective to be met is greater language fluency and better proficiency in order to function in business situations in a foreign language. To this effect, the whole unit is an attempt to create intense role playing, generate discussions based on and calling upon a special terminology, and handle some key concepts of French business that are now part of a real-life situation.

CLASS SET-UP

The unit takes up about 5 to 6 sessions. If commercial company law has not been broached, a short lecture with hand outs highlighting the main forms of companies is necessary. At any rate, capsules of information have to be carefully distributed so

that students have time to assimilate the new concepts. During the discussions focusing on one case in particular, more detailed information will be needed, as students bring up new questions.

The class is divided into groups for the entire unit. Short lectures and group discussions during which the instructor is on call, alternate. Proposals from each group are then presented, discussed and one solution is decided upon, before carrying to the next step.

The instructor can illustrate certain steps through a dialogue on the same subject to be acted out. Some improvised role-playing may also nicely conclude a particular session.

The "one-step-at-a-time" approach is important. So is the discussion of the various choices and the reason for the final decision. Essential also is the students'ability (and willingness) to impersonate the company founders and immerse themselves in the situation presented. The free play of imagination can spur a great deal of enthusiasm among the participants.

OUTLINE

This unit simulates the creation of the company, from its inception to the day when production and sales begin. Very often, a few individuals in the class have dreamt of innovative product or services.....And, fortunately as M. Herblay points out in an article entitled "Le créateur, ce marginal", published in L'expansion, 17 feb.1.march 1984, the lure of money is not the primary motivation of a company founder...

It is best to start with some of the students' own ideas and elaborate on them with the class. For those who have spent a substantial amount of time in France, it is worth exploring what they found was lacking in France and that they would like to introduce.

Today, however let us assume that the business idea has emerged. Four major aspects will have to be considered.
First comes the legal form to be chosen for the company; then follows the establishment process per se, namely the various steps to be taken for the company to be officially registered and then be allowed to operate; at the same time, while all the papers are being filed, the founders have to consider the whole project and decide upon a suitable organization in which the firm may operate smoothly; Lastly, in the final stage, the associates need to put together a consistent and tentative marketing

strategy, based on some research on the firm's environment. At this point, the new company's product, its competitors, its channels of distribution have to be studied, to lead to an initial promotion campaign. In a nutshell, the four aspects to be investigated and discussed are: legal form; registration process; company organization; commercial strategy.

The program outlined above, if carried out in detail, may well take half of the semester, and require skills way beyond our liberal arts and foreign language background. I hope to convince you today that with the help of a few practical sources, some consultation with business professionals, an attractive package can be put together. I would also insist on the great flexibility of such a unit. It can be adapted to various levels of language proficiency and business knowledge.

At the lower end of the spectrum, it may be sufficient to have the groups identify the main steps to be taken and give out more information and create exercises around these steps. A great number of dialogues, business letters and memos can be generated; vocabulary exercises can focus on the new terms, for instance partnerships, limited liability company, stock company, board of directors, shareholder.

At the other end of the spectrum, for an audience of advanced undergraduates in their second or third semester of business

French, such a unit may require several weeks and indeed cover or provide a review of several items on the syllabus. A lot of free play is to be expected here; it may become even more interesting if the instructor can assign those students working on a business major, such as marketing, specific tasks. They could be in charge of presenting an example of market study, preferably one on which they themselves have worked to set some objectives and propose an outline for the new firm's marketing research. Similarly, students in accounting and finance, communication arts, advertising, as well as anyone who has business experience can be called upon.

THE IDEA

For our case, today, let us imagine, an American named Matthew (Matt), for example, who works for a medium-sized American company that manufactures and distributes a line of sports equipment (clothes, shoes, and equipment). The company has innovative products, an open mind and decides to distribute its products in France. Matt, of course would have an interest in France; by the way, he spent a year abroad and his best French friend, Jacques, is now in business. He is an associate in a consulting firm and Matt is to meet with him and explore the

various options for his firm's expansion. Matt's company, because of its limited resources is interested in linking up with some French partners to share in the initial investment. Matt's company plans on contributing about FF. 200.000 .

As indicated by the preliminary research, the French market looks promising. Matt then goes to France to make contacts with Jacques to consult him about the whole project. This initial step can be summarized in a dialogue featuring Matt's first meeting with his friend Jacques, accompanied by Nicole, an other associate, in which the venture is set forth . This dialogue can serve as an introduction to the "piece de résistance", which is the choice of a legal form for the future company.

THE COMPANY'S LEGAL FORM.

At this point, the students should be asked to reviev their notes on company statutes and/or study the appropriate handout. The sole proprietorship being excluded, the main differences in the company forms deal with the amount of start-up capital, the way it is divided, consequently the managerial pover, the

liability issue and the legal requirements in terms of control (audit) and disclosure of information.

Commercial companies in France can be either partnerships (société de personnes) or stock companies (société de capitaux), with the exception of the limited liability company (société à responsabilité limitée ou S.a.r.l.).

Partnerships can be general (société en nom collectif), or limited (société en commandite simple). On paper, there exists a limited partnership by shares (société en commandite par actions), which is very rare. In the general partnership, all the partners are merchants (commerçants); there is no minimum capital requirement; all the partners may be managers; consent of all of them is necessary if shares were to be sold; the partners' liability, however, is unlimited; no financial information is required to be made publicly available; cost of registration is minimal; the health and unemployment coverage of the partners is limited. Registration is estimated to be at least FF. 500 per partner.

As for the stock company, the founders, shareholders must be at least seven; the minimum capital requirement for a non-publicly listed company is FF 250.000; (at least, 25% of the share capital must be paid up at the start, the rest within 5 years); the capital is divided in equal shares with a minimum value of FF

loo; the Société Anonyme is managed by a board of directors (Conseil d'Administration) which chooses a Chairman/person (Président Directeur Général); shareholders' liability is limited to their contribution; within 6 months of end of fiscal year, there must be a shareholders'meeting to approve the financial statements (balance sheets, profit and loss account). Cost of registration is at least FF. 5000.

In a limited liability company (S.a.r.l.),the minimum capital requirement is FF. 250.000; there has to be a minimum of 2 shareholders (a maximum of 50); the shareholders appoint one or several managers to run the company; shares may not be transferred to third parties unless approved by members representing three fourth of the equity. every year a shareholders'meeting has to be called to approve the annual financial statements; as with the S.a., within 6 months from end of fiscal year, financial statement have to filed with the clerk of the local commercial court where they are available for public access. The cost of registration for such a company is, at minimum, FF 3000.

Given this information and the case under consideration, the first discussion session will be devoted to the advantages and disadvantages of each business form. What form should matt.

choose? To recap, a chart with the main categories to consider can be drawn on the board, namely capital, shareholders, management, liability, initial cost and establishment process.

Beyond the legal considerations, the groups should examine power of decision, control of the company's equity and flexibility for management purposes but also, possible expansion.

This exercise can be assigned on its own as an illustration of a lecture on company organization; several examples of business projects can be given for the students to consider; each may lean towards one form rather than another. These examples can be taken from books; more importantly, though, if the instructor has any opportunity to go to France, he/she may want to contact several small or medium-sized businesses or various organizations, such Chambers of Commerce, or even friends and their "relations", to collect information on some businesses to be used as examples.

THE ESTABLISHMENT PROCESS

let us now get to the crux of the matter. The business idea and the funds available for the operation, the flexibility and the desire to retain as much power of decision as possible have led Matt. to favor the S.a.r.l. Jacques and Nicole have contacted two people who are very interested in participating in the new

company. Why not call them, Hélène Brun and Henri Martin. The latter, by the way, owns several sports shops in various cities. After a first meeting, each agrees to contribute FF 100.000 . They also see good opportunities for a new line of sports wear and equipment to be distributed through sports shops and department stores. The French partners are familiar with this market niche.

Obviously, this unit is only an example and Henri Martin could become Pierre André and be retired, for all that matters.

The groups of students can now impersonate the various founders and the consultants. The establishment can be outlined as presented in document 1. The ratification of the statutes represents a key step. To be registered with the INSEE, Social Security and the Tax administration are the indispensable steps before operations can start. Various exercises are possible for the students to become part of the process; one of them could be to entrust each of the founders with a specific task to be performed before the foundation meeting; one could look into the question of the name; another work on the company headquarter building; one would collect funds and deposit them at the bank. Each student-founder should know what their task entails, possibly have filled out one or several documents, to be prepared for the final meeting at which the statutes are examined, agreed upon, ratified and managers appointed.

Another activity could be for the founders to look into what the various registrations mean, for themselves and for the future employees: for instance, What does URSSAF stand for ? What is its role? This part could be ideal to introduce- in a simplified, yet applied manner- the health, retirement, unemployment system. Furthermore, a short presentation on labor laws - hiring, promoting, labor representation- could also be interesting.

The process has led to the creation of Sportsloisirs, 28, Cours Vitton, 69006 Lyon, S.a.r.l. with a capital of FF 300.000. R.C. Lyon B 4586939. Each share is worth FF 100.000.

While the company file is being processed, intense work is going on. The legal statute is not a guarantee of commercial success. The company operations have to rationally organized and a commercial strategy developped. The students-founders have now to examine what services will be needed for the company to operate smoothly and successfully.

THE COMPANY STRUCTURE

Before attempting to structure their own operation, the founders can be made aware of various company organizations,

through the study of a several company charts or "organigramme" On Document 2 a fev examples of company charts are given.
The charts can be supported by a short explanation highlighting the basic needs that a given form fulfills, namely tasks and functions. Each group can be assigned to propose a tentative form after studying the document and the example. Each group will perceive the company's operations in a different light. For instance, how important will manufacturing be? Will Sportsloisirs import, adapt and sell the products of the American company, or will it manufacture the clothes and the equipment, under American License or Know-how in France? If the former solution is chosen, a special division may be necessary to oversee the steady flow of imports and take care of customs, transportation etc...?

Once various questions have been debated, a tentative structure can be displayed. The organigramme of the new company would resemble something like this:

Président Directeur
Général

Directeur adjoint

service commercial

service import-export

service production

service administratif

Once the overall structure has been outlined, each group could be assigned the task of presenting a more detailed chart for each of the main services.

This unit is largely base on the students' capacity to imagine such an operation. As they start to impersonate the various protagonists, they are required to make some choices, from a more business point of view. This is particularly true in the last two sections of the unit when the company organization and the marketing strategy are considered.

For example, if group 4 is assigned to put together the various components of the administrative division, several

questions could be given to the students to think about, thus guiding them towards the main function of the administrative division in our company. the financial side and the personnel (or human resources) are still to be examined. The latter function is an important one, for it will deal with hiring, promoting, remunerating, training, as well as with the whole communication aspect in the company. (for instance, facilitate communication through meeting and various other social events within the company).

Accordingly, one could represent the administrative division as follows:

service administratif

comptabilité

budget/ financement

gestion des resources humaines

The same approach can be used for all the other services. Students may be guided through a set of simple questions which should always lead to a graphic representation of what a given division would be like.

COMMERCIAL STRATEGY

The key to success for our company is to find the adequate markets for its product. As a conclusion to this unit, I would like to introduce several topics and questions to be broached , based on readings in marketing and real-life projects.

For clarity's sake, allow me to recap: We, Sportsloisirs, S.a.r.l., are entitled to distribute (and later, may be, even manufacture), a whole line of sports and leisure products: clothes -sweat shirts and T. shirts, warm-up suits, bathing suits, jerseys, shorts, socks- shoes -regular sports shoes, but more importantly jogging shoes with special designs, shoes for basket ball, tennis, soccer and golf- Sportsloisirs, thanks to its American supplier will have a special tennis and golf department.

Consequently, this section of the unit is designed to have the students acquire a better grasp of the marketing dimension of a firm, familiarize themselves with a given terminology, as well as formulate an initial promotion campaign, based on the findings of the marketing research. The very last assignment will be to imagine the ideal advertising spot to reach the targeted consumers, on a given market segment.

The section hinges upon three different steps: one, to acquire a knowledge of the sports and leisure market in France and break it down in terms of segments (the sports teams, sports and leisure associations...), and consumer characteristics (age, socio-professional categories, behavior); the second step will be to look into the channels of distribution; the last one, to

choose a point of entry on a market, a line of product to be sold, an advertising campaign to launch the new brand.

A few questions will help bring out the main notions and focus on the new terminology; in addition, a special set of questions can be given to have students apply, let's say the concepts of market segmentation to our company's case. Another exciting way is to ask a student in the class with a major in marketing to direct the class during the sessions devoted to marketing.Moreover, to prepare for the advertising campaign various resources can be used, particularly television spots and newspaper ads; several ads can be compared in order to identify targeted consumers in relation to the messages and the products advertised. Several ads for competing products (cars, or coffee brands, for instance) can underline the relationship between message,audience,consumers and product. These ads, particularly, the T.V. ones are always very successful and create some exciting moments in class.

CONCLUSION

This unit generates more and more excitement and a growing sense of common purposes among the groups involved. As the sessions pass, one can sense a deeper desire to have this company

off the ground and successful. In putting this unit together my utmost desire was to steer away from a business French class that is a letter writing in French in disguise. My aim was to branch off to a different type of syllabus in which business terminology and concepts link up with society and culture when seen from within a living organism; the enterprise.

I see our survival as a field of language studies directly linked to our capacity to become that indispensable link in providing students in the fields of Business and Economics with that linguistic and cultural knowledge and avareness, now a crucial part of today's dramatically needed international expertise.

Gilles Bousquet
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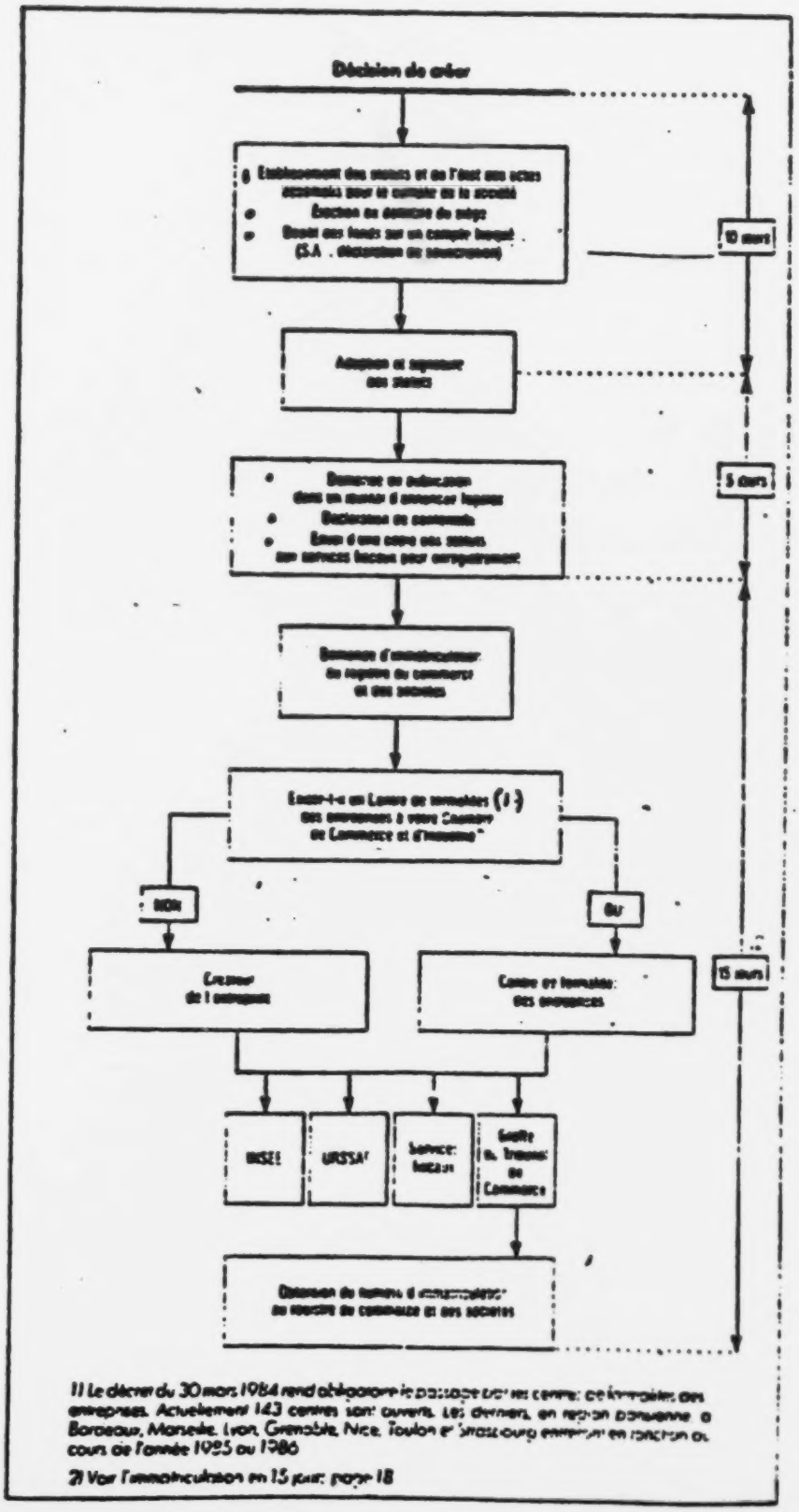
Annexe 1

PROCÉDURE DE CRÉATION D'ENTREPRISE EN VIGUEUR DEPUIS LE 1er JANVIER 1985



1) Le décret du 30 mars 1984 rend obligatoire le passage par les centres de formalités des entreprises. Actuellement 143 centres sont ouverts. Les derniers en région parisienne à Bordeaux, Marseille, Lyon, Grenoble, Nice, Toulon et Strasbourg entreront en fonction au cours de l'année 1985 ou 1986.

2) Voir l'immatriculation en 15 jours page 18

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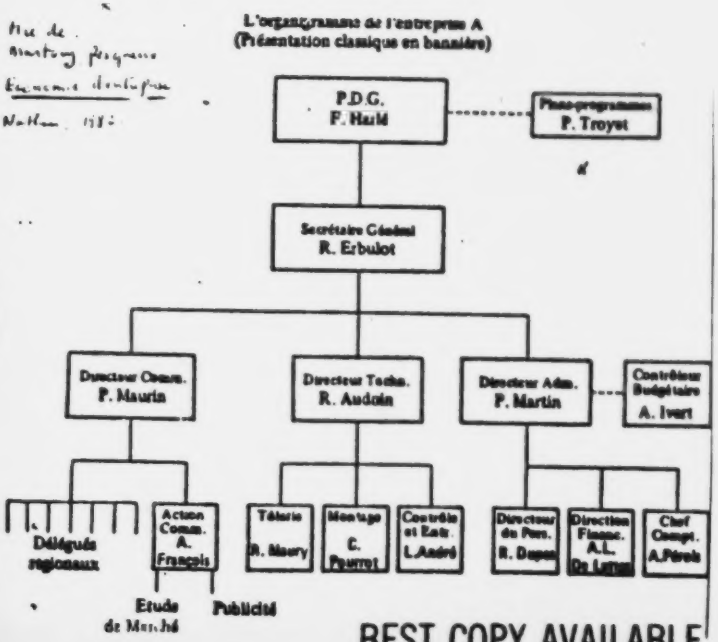
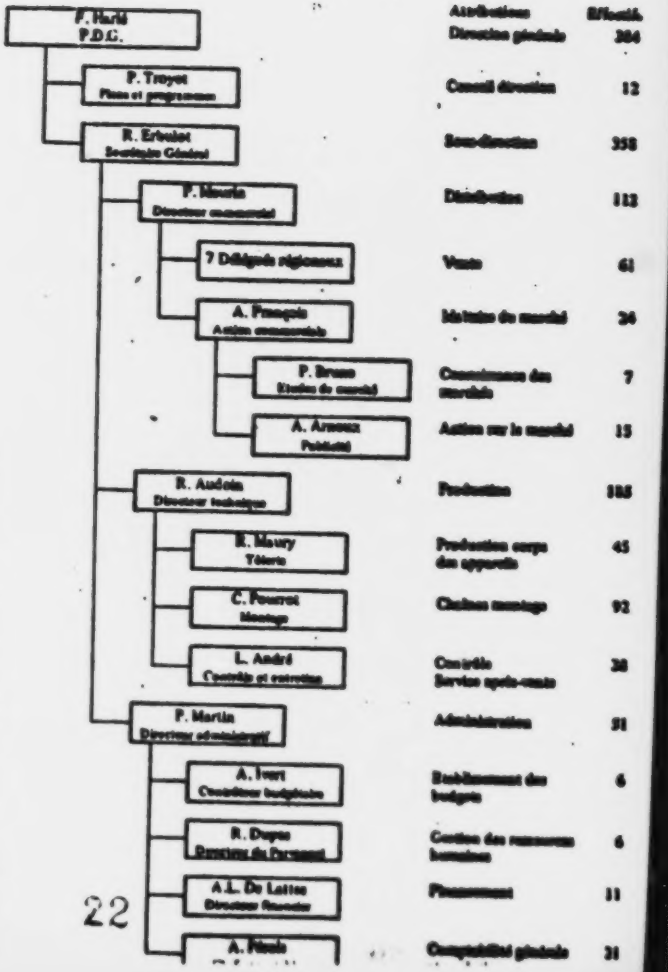
~ Document 2. ~ 452





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